



# Glossary

# Glossary

## I. Sectoral glossary

<b>Absorption cooling unit</b>	An absorption cooling unit is a special type of cooling unit that compresses the refrigerant thermally, rather than mechanically, using a temperature-affected refrigerant solution.
<b>Biomass cogeneration plant</b>	A biomass cogeneration plant generates electricity and heat by burning biomass.
<b>Biomass heating plant</b>	A biomass heating plant exclusively generates heat by burning biomass.
<b>Cogeneration</b>	The use of cogeneration technology in a power plant means that both the electrical energy and the waste heat are used, e.g. for heat supply.
<b>Cogeneration plant</b>	A cogeneration plant is a plant with a modular structure that generates both electricity and heat and that is frequently operated at the location where the heat is consumed.
<b>Cogeneration plant module</b>	Module used to construct a cogeneration plant.
<b>Compression refrigeration unit</b>	A compression refrigeration unit generates cooling energy through the mechanical compression of a refrigerant and using heat from vaporisation.
<b>Condensing boiler</b>	A condensing boiler is a boiler that uses almost all of the energy content of the respective fuel. The difference between conventional boilers and condensing boilers is that the latter also use most of the condensation heat of the exhaust gases. This means that condensing boilers offer an extremely high level of efficiency in terms of heating value.
<b>Contracting</b>	Contracting is the financing, development, implementation and operation of a power generation plant by an energy supply company for one or more customers on the basis of long-term energy supply contracts.
<b>EEG</b>	German Act on the Promotion of Renewable Energies (Renewable Energies Act, EEG)
<b>Efficiency</b>	Efficiency is the ratio of work produced to work expended, and is used to describe the effectiveness of energy conversion.
<b>Emissions trading</b>	Emissions trading refers to the trading of certificates that entitle the holder to emit greenhouse gases in accordance with the German Greenhouse Gas Emissions Trading Act (TEHG).
<b>Energy source</b>	Energy sources are raw materials or other materials in fossil, regenerative or nuclear form that are suitable for use in energy generation.
<b>Heat exchanger</b>	A heat exchanger is a component that transfers heat between two other components, such as a boiler and a superheater.
<b>Gas burner</b>	A gas burner is used to ignite a gas/air mixture. The gas flame is used in a boiler to heat water or generate steam.
<b>Megawatt (MW)</b>	Unit of power. 1 megawatt = 1,000 kilowatts = 1,000,000 watts

<b>Megawatt hour (MWh)</b>	Unit of energy. The consumption of electrical energy is also expressed in terms of megawatt hours. A megawatt hour corresponds to the use of 1,000,000 watts for a period of one hour.
<b>Combined cycle power plant</b>	Combined cycle power plants are power plants that use a mixture of materials as a heat source, such as water and ammonia in the case of the Kalina process, thus reducing the required process temperature due to the lower boiling point.
<b>Measurement and control technology</b>	Measurement and control is a term used in the area of automation technology (building automation), in which all of the sensors, actuators, control elements, consumers and other technical units within a building are connected.
<b>MW</b>	Abbreviation of megawatt
<b>MWh</b>	Abbreviation of megawatt hour
<b>Oil burner</b>	An oil burner is a compact unit in which fuel oil is mixed with air and atomised and ignited on the combustion head. Oil burners are fully automated, adjustable combustion devices with various safety features. Oil burners are mounted on water boilers in such a way that the combustion head protrudes into the water reservoir of the boiler. The flame then heats up the water in the boiler for heating or steam generation purposes.
<b>ORC</b>	Abbreviation of Organic Rankine Cycle
<b>Organic Rankine Cycle</b>	The Organic Rankine Cycle is a method under which a steam turbine is driven by organic fluids rather than water vapour.
<b>Power generation plant</b>	This term refers to the premises in which the equipment used for power generation is situated.
<b>Primary energy</b>	Primary energy is defined as the energy that can be derived from natural forms of energy or energy sources. By contrast, secondary energy is generated from the conversion of primary energy sources (with a resulting energy loss).
<b>Regenerative energies</b>	See renewable energies
<b>Renewable energies</b>	Renewable energies are forms of energy from sustainable sources that can either be regrown or that are considered to be inexhaustible.
<b>Screw-type water cooler</b>	A screw-type water cooler is a cooling unit that generates cold water using a screw compressor. A screw compressor is used to increase the pressure on a refrigerant. The refrigerant in the evaporator takes the heat energy from a closed water cycle, hence removing energy from the water that is to be cooled. The pressure on the refrigerant is then reduced by releasing the energy taken from the water cycle. Following this process, the refrigerant is a gaseous aggregate and is reliquefied in a condenser using cold water.
<b>Split system</b>	A split system is an air conditioning system consisting of an outer unit (condenser/compressor) that is linked to an inner unit (evaporator).
<b>Steam boiler</b>	This term refers to all of the components required to generate steam. Steam consumers, such as ducts and pipes, heat exchangers and condensers, do not form part of a steam boiler.

<b>Stirling engine</b>	The Stirling engine is a heat engine in which a closed working fluid (mostly a gas such as air or helium) is heated and cooled using external changes in temperature in order to generate mechanical energy.
<b>TEHG</b>	(Gesetz über den Handel mit Berechtigungen zur Emission von Treibhausgasen) German Greenhouse Gas Emissions Trading Act
<b>Turbo water cooler</b>	A turbo water cooler is a cooling unit that generates cold water using a turbo compressor. A turbo compressor is used to increase the pressure on a refrigerant. The refrigerant in the evaporator takes the heat energy from a closed water cycle, hence removing energy from the water that is to be cooled. The pressure on the refrigerant is then reduced by releasing the energy taken from the water cycle. Following this process, the refrigerant is a gaseous aggregate and is relieved in a condenser using cold water.
<b>Wood chips</b>	Wood chips are small pieces of wood that have been chopped up, for example, and that are used as an energy source for biomass heating and cogeneration plants. Wood chips can be produced from various types of wood, such as waste wood, natural wood, or wood obtained from rural conservation activities.

## II. Fiscal glossary

<b>Annual financial statements</b>	Annual balance sheet and profit and loss account to be prepared by the Board of Directors and controlled by the Supervisory Board and certified public accountants. Requirement under commercial law.
<b>Annual report</b>	Report drawn up annually containing the annual financial statements, the reports from the Board of Directors and Supervisory Board and a proposal on the allocation of the profit.
<b>Balance Sheet</b>	A balance sheet is a summarized, systematic comparison between a company's assets and its capital resources as of a certain reporting date. The assets side of the balance sheet shows how the company has used the capital resources at its disposal. The liabilities side shows where the capital has come from by reporting, on the one hand, details of the company's debts and, on the other hand, the capital attributable to the company's owners.
<b>Bear</b>	The American term bear is a symbol for falling prices. The opposite is the term bull which stands for rising prices.
<b>Bookbuilding</b>	A method of collating all incoming applications to buy shares to reduce the risk of issuing shares on the stock exchange at a price that does not conform with market developments. The actual issue price is decided during a bookbuilding phase on the basis of a price margin, which is calculated after talks with major investors.
<b>Bull</b>	In stock exchange parlance a symbol for rising prices. Its opposite, the bear, stands for falling prices.

<b>Cash Flow Return on Investment (CFROI)</b>	A measure of asset creation. It is derived from cash flow and determines the shareholder value created - or net earnings after deduction of capital costs of a business unit.
<b>Cash Value Added (CVA)</b>	A measure of asset creation. It is derived from cash flow and determines the shareholder value created - or net earnings after deduction of capital costs of a business unit.
<b>Consortium banks</b>	Bank that prepares and accompanies an IPO (initial public offer).
<b>DAX</b>	The DAX Index is made up of 30 major German stocks (blue chips). It represents roughly 75 percent of the combined share capital of domestic joint-stock corporations listed in Germany and accounts for some 85 percent of overall trading in German equities. DAX stock are admitted to trading on the Official Market and Regulated Market and are quoted in the Prime Standard segment. The criteria for stock weighting in the DAX Index are exchange turnover and market capitalization on the basis of free float share capital and sectoral representativeness. Changes to the DAX are resolved by the Executive Board of Deutsche Börse AG on the basis of proposal made by the Working Committee for Equity Indices.
<b>Designated sponsor</b>	Banks or specialized traders who bridge temporary imbalances between supply and demand in Xetra electronic stock trading, thereby improving a stock's liquidity. They do so by quoting bid and ask limits (market making), either on their own initiative, on request of a market participant (quote request) or in auctions. The fact that these quotes are shown in the order books gives investors greater security for limiting their orders. Depending on the market segment involved, a stock may have one or more designated sponsors, or none at all. On arrangement with issuers, designated sponsors with the necessary capabilities may also provide research or investor relations services.
<b>Dividend</b>	The share of a company's profit paid to a shareholder. Dividends are usually expressed as a percentage of the nominal value of the shares. The amount is decided by the Annual General Meeting on the basis of proposals put forward by the company's executive and Supervisory Boards. Dividends are paid - normally through a depositary bank - on the day after the AGM on shares a shareholder possesses on the day of the AGM.
<b>EBIT</b>	Earnings before interest and taxes. Key figure for the assessment of companies. This is the profit result before tax and interest expenditure.
<b>EBITDA</b>	Financial indicator denoting earnings before interest, tax, depreciation and amortization on tangible and financial assets and on securities held as current assets as well as amortization on goodwill from equity method investments.
<b>Entry Standard</b>	Capital market access provided by Deutsche Börse within the Open Market (formerly: Regulated Unofficial Market) for small and medium-sized companies as an alternative to EU-regulated segments. The Entry Standard is primarily aimed at qualified investors who are able to assess and accept the potential risks related to the investment in shares of the respective company. Investors must be aware that shares of the company are not admitted to trading at an EU-regulated market and that this part of the Open Market is not subject to the uniform transparency standards and the strict provisions for investor protection on organized markets in the EU.
<b>EPS</b>	Earnings per Share.

<b>Equity method</b>	Accounting method recording investments in associated companies or joint ventures according to the investor's share of net assets.
<b>Equity ratio</b>	A financial measure showing the share of equity or own capital and reserves as a proportion of total assets.
<b>Federal Financial Supervisory Authority (BaFin)</b>	The Federal Financial Supervisory Authority (BaFin) with official domiciles in Bonn and Frankfurt am Main was founded on May 1st, 2002 and took over the duties of the former supervisory offices for banking, insurance and securities trading. In Germany, therefore, there is an official bancassurance regulator under one roof covering about 2,600 banks, 800 financial services providers and roughly 700 insurance companies. The Authority is funded exclusively from fees and charges paid by the supervised institutions and companies and is independent of the Federal budget. The overriding goal of the BaFin is to safeguard the functional operability of the entire financial sector in Germany. Sub-targets can be derived from this. Firstly, protecting the solvency of banks as financial services providers, and secondly ensuring customer and investor protection. The BaFin itself is subject to legal and material supervision by the Federal Ministry of Finance.
<b>General Standard</b>	Deutsche Börse stock listing segment for companies fulfilling the transparency requirements prescribed by German law. Admission to General Standard does not require any action on the issuers' part; it occurs automatically in connection with listing on either the Official or Regulated Market. General Standard is basically the initial listing segment for smaller companies. For admission to Prime Standard, the market segment for joint-stock companies with international operations, and inclusion in one of the selection indices of Deutsche Börse, such as the DAX, companies must fulfil more stringent transparency criteria.
<b>Goodwill amortization</b>	Method of depreciating the amount paid for goodwill on the acquisition of a new business. Goodwill is an intangible asset reflecting the market position, brand, know-how and image of a company. It is assessed by determining the difference between the present value of the assets/debts of a company and the price paid to acquire it. It is amortized applying the straight-line method over its estimated useful life.
<b>Group of consolidated companies</b>	Those subsidiaries in the Group, which are included in the Group's consolidated financial statements.
<b>IFRS/IAS</b>	Financial reporting standards published by the IASC or IASB. These regulations, formerly known as International Accounting Standards (IAS), are now referred to as International Financial Reporting Standards (IFRS) to reflect their broader remit. IAS standards retain their current designations. As with IAS, new IFRS rules are consecutively numbered ("IFRS 1", "IFRS 2" etc.). Therefore, both an IAS 1 and an IFRS 1 exist side by side. Reporting under IFRS/IAS values securities by the 'mark to market' method and therefore restricts the formation of undisclosed reserves. The main objective of reporting is to provide information, primarily for investors, to meet the basic criteria of comprehensibility, relevance to decision-making, comparability and reliability. In contrast to the emphasis on creditor protection and the principle of caution typical of traditional German accounting methods, IFRS is guided by the concept of "fair presentation". To be admitted to the Prime Standard listing segment of the Frankfurt Stock Exchange, companies are required to report according to IFRS or U.S.-GAAP.
<b>Issuer</b>	Issuers of securities on the stock-exchange are generally private-sector public liability companies or public corporations issuing their shares.

<b>Joint stock corporation</b>	Joint stock corporation (Aktiengesellschaft/AG) is one of the legal forms that companies can take. In a joint stock corporation, the owners hold their stakes in the company in the form of shares. Shareholders are only liable up to the amount of their shareholding, but not with their other assets. The management bodies of the joint stock corporation are the Board of Directors (Vorstand), the Supervisory Board (Aufsichtsrat) and the Annual General Meeting (Hauptversammlung). A joint stock corporation is managed by the Board of Directors, which is appointed by the Supervisory Board, while the Supervisory Board is elected by the Annual General Meeting, i.e. the shareholders in general meeting. Furthermore, the shareholders also resolve at Annual General Meetings on important questions of key relevance to the company, such as the appropriation of profits, the ratification of the acts of management of the supervisory board and Board of Directors as well as on capital increases and mergers.
<b>Margin</b>	The amount of the deposit required to set up a future position.
<b>Market capitalization</b>	The monetary amount obtained from the price of a share multiplied by the number of issued shares.
<b>Market price</b>	Price of a share determined by supply and demand.
<b>Nominal capital</b>	In the association articles defined capital. This paper also determines in how many shares it is divided. The company issues shares amounting to the nominal capital.
<b>Non-par shares</b>	Shares which do not specify any value in the relevant national currency, but rather a certain fraction of the stock capital of the publicly held company.
<b>Open Market</b>	The "open market" is a legally regulated market segment in Germany. However, it is not subject to public but private law and was officially called the "regulated unofficial market" until October 2005. Trading in the open market segment on the Frankfurt Stock Exchange (FWB) includes not only German shares, but primarily foreign shares, bonds of German and foreign issuers, certificates and warrants. It was first created on May 1, 1987, through the merger of the "regulated unofficial market" and the "unregulated unofficial market". The open market is not an organized market as defined by the German Securities Trading Act (WpHG). The basis for the inclusion of securities in the open market is provided by the conditions for the regulated unofficial market of Deutsche Börse AG. There are only a few formal application requirements and no follow-up obligations. Anti-insider trading rules apply, but the regulation on ad hoc disclosures does not.
<b>Operating result</b>	Profit term. It shows the profit from operating activities less book profits (and losses), write-back (or allocation of provisions), currency losses on valuation at the balance sheet date of long-term financial liabilities, and other periodic expenses and income.
<b>Oversubscription</b>	The total purchase offers exceeds the value of securities issued. Issuing then takes place on a percentage basis (in proportion to purchase offers received) or by drawing of lots.
<b>Profit and loss statement</b>	Comparison of earnings (i.e. sales revenue, changes in stock) and expenditure (i.e. wages, salaries, depreciation) for the financial year.
<b>Quotation</b>	Statement of the price of a security at a particular point of time.

<b>Registered shares</b>	<p>Holders of registered shares have their name, address, profession and number of shares entered in the share register kept by the company: The details are transferred to the register by the depositary bank. Unlike holders of bearer shares, it is not the depositary bank but the company that invites registered shareholders to the Annual General Meeting and mails them admission cards. General proxy voting rights are not applicable with registered shares: That means - the shareholder must appoint a bank or representative to act as proxy and vote in his stead in accordance with the shareholder's instructions.</p>
<b>Retention</b>	<p>Induction of withheld gains to equity. Method to strengthen the financial power of a company.</p>
<b>Return on equity</b>	<p>A financial term indicating the net profit on equity capital employed.</p>
<b>Return on investment (ROI)</b>	<p>Interest of the financial investment.</p>
<b>Share</b>	<p>A share is a type of security. The owner of a share owns parts of a publicly held company and is therefore a stockholder in that company. Share ownership is associated with certain stockholder's rights and obligations.</p>
<b>Share capital</b>	<p>Subscribed capital of a joint-stock company, divided up into equity shares. The statutory nominal capital is at least 50,000 euros, but is usually much higher. The par value indicates the fraction of a company's nominal capital represented by a single share. No-par shares, on the other hand, securitize ownership in proportion of the number of shares owned to the company's total number of shares. Share capital can only be raised or decreased with the approval of the General Meeting.</p>
<b>Shareholder Value</b>	<p>Benefit for the shareholder. A shareholder value oriented company policy aims at a fair rate of return for its shares.</p>
<b>Share Identification Number/ Security Identification Number</b>	<p>Identification number for securities (shares, investment funds etc). The six-digit number is intended to facilitate share trading.</p>
<b>Share index</b>	<p>An index number based on the prices of a parcel of representative shares. Among the better known share indices are the German DAX (Deutscher Aktien Index), the FAZ Index (Index of the Frankfurter Allgemeine Zeitung), the MSCI, the Dow Jones (USA), the Nikkei Index (Japan) and the Financial Times Ordinary Share Index (FTSE).</p>
<b>Stock price</b>	<p>The market price of a share, governed by the supply and demand on the Stock Exchange.</p>
<b>Subscription</b>	<p>Undertaking to buy a particular number of securities in the context of a new issue. In most cases full allotment is not possible, owing to oversubscription.</p>
<b>Supervisory Board</b>	<p>The Supervisory Board is typically one of the management bodies of a joint stock corporation. The two other management bodies are the Board of Directors and the Annual General Meeting. A Supervisory Board can also be established at a German limited liability company (GmbH), the regulations of the German Stock Corporation Act then apply accordingly. The task of the Supervisory Board is to monitor the company's management, in other words the Board of Directors which it has elected, and to advise it on strategic issues. Furthermore, it has audit duties (in particular with respect to the company's annual and consolidated financial statements) and reporting duties. The legal basis for the work of the Supervisory Board is formed by the German Stock Corporation Act and the articles of association of the respective.</p>

**Supervisory Board**

joint stock corporation. In addition, practically all Supervisory Boards have their own terms of reference. Many supervisory boards have committees for specific subjects, the most frequent ones here being the audit committee and the personnel committee. At most companies, the supervisory board consists of representatives of the shareholders and also - a feature peculiar to Germany - of representatives of the employees. The German Corporate Governance Code makes various demands on a supervisory board member's personal profile, especially of his/her specialist abilities and his/her loyalty to the company.

**XETRA**

Computerized trading system of the German stock exchange introduced in 1997. The transactions are not conducted in person, but as buy and sell orders communicated via computer systems.

